XI. RATE ADJUSTMENTS

Payment is made for services provided in inpatient hospital facilities in accordance with Section 1902(a)(13) of the Social Security Act as amended by Section 4711 of the Balanced Act of 1997. Prospective payment rates are based using the most current hospital costs reports (HCFA 2552) and cost reimbursement series (CRS) reports following the steps described in Section II - V above. Rates in effect on June 30, 1999 will be continued without adjustment except as may be directed by the Department of Human Resources.

XII. MONITORING FUTURE RATES

Nevada Medicaid monitors cost and utilization experience of all hospitals by evaluation of the cost reports filed each year. Payments are examined closely. Should modification of any elements or procedures such as creation or deletion of a rate or group appear necessary, this State Plan Attachment will be amended.

XIII. ADVANCES

Upon request, each hospital may receive each month an advance payment that represents expected monthly Medicaid reimbursement to that facility. Each advance is offset by claims processed during the month. Month-end +/- discrepancies automatically adjust the advance issued the following month.

XIV. DIRECT GRADUATE MEDICAL EDUCATION PAYMENTS

This section of the state plan contains the provisions for making additional Medicaid payments to recognize the additional direct costs incurred by in-state hospitals with approved graduate medical education programs. These provisions become effective at the start of each qualifying hospital's fiscal period beginning on or after July 1, 2003.

A. Qualifying Hospitals:

In-state hospitals that participate in the Medicaid program are eligible for additional reimbursement related to the provision of Graduate Medical Education (GME) activities. To qualify for these additional Medicaid payments, the hospital must also be eligible to receive GME payments from the Medicare program.

B. Methodology for Determining GME Payments:

Each in-state hospital that qualifies for direct GME payments will have their hospital specific payments amount determined as follows:

1. Maximum Direct GME Disbursement Amount: Medicaid will reimburse a maximum amount of $820,429 for direct GME without adjustment.
2. Total Full Time Equivalent (FTE) Calculation: Medicaid will calculate a total number of actual Medicaid FTEs using data from each qualifying hospital.
    a. Each qualifying hospital will provide documentation of actual paid FTEs for the previous fiscal year to Medicaid by April 1st of each year. This will be the maximum number of FTEs that may qualify for direct GME reimbursement.
    b. The Medicaid portion of each qualifying hospital's maximum number of FTEs will be determined by dividing the hospital's Medicaid inpatient days by total inpatient days. The data will be from the most current available audited Medicare cost report as of April 1st of each year. This fraction will be multiplied by the hospital's maximum number of FTEs for the actual Medicaid FTEs for the hospital.
    c. Medicaid will sum each of the qualifying hospitals' number of actual Medicaid FTEs for a total number of actual Medicaid FTEs. This will be the number of FTEs used in direct GME disbursement calculation.

3. Medicaid Direct GME Reimbursement Amount per FTE: Medicaid will divide the maximum direct GME disbursement amount by the total number of actual Medicaid FTEs to calculate the reimbursement amount for FTE.
4. Medicaid Direct GME Reimbursement per hospital: Medicaid will multiply the actual Medicaid FTEs of each qualifying hospital by the reimbursement amount per FTE to calculate a total direct GME reimbursement by hospital.

C. Payments of Direct GME:

Beginning July 1, 2003, Medicaid will calculate the total direct GME reimbursement for each qualifying hospital using the methodology in **B.** above. At the end of each calendar quarter, each hospital will receive a payment amount equal to twenty-five percent (25%) of the hospital's total direct GME reimbursement.